

Testimony by Michael A. Milone
Town Manager, Cheshire
Judiciary Committee
Monday, April 1, 2013
State Legislative Office Building

Re: H.B. No. 6679 -- An Act Concerning the Counting of Incarcerated Persons for Purposes of Determining Legislative Districts and Distributing State and Federal Funds.

Honorable Committee Members, good morning and thank you for allowing me to address you. My name is Michael A. Milone, I am the Town Manager in the Town of Cheshire, and I am here to speak in opposition to H.B. No. 6679, An Act Concerning the Counting of Incarcerated Persons for Purposes of Determining Legislative Districts and Distributing State and Federal Funds.

This legislation would have a devastating impact on Cheshire's State aid and our operating budget. We estimate that if H.B. No. 6679 were enacted that Cheshire could realize a 30% reduction in our Education Cost Sharing Grant (ECS), a loss of approximately \$3.441 million which is equivalent to 1.2 mills.

This proposed legislation follows the Governor's recent budget proposal eliminating key Municipal Aid (Revenue Sharing Grants, Pequot/Mohegan Grant, and Automobile Tax Revenue). In addition, he has proposed eliminating the PILOT-State Property and rolling it into the ECS Grant. These total changes would result in a loss in revenue of \$2.4 million.

Cheshire is home to the second largest prison in the State and as such the PILOT payment for State property is a critical revenue source for our community.

As you know, one of the Governor's proposals is to eliminate the PILOT-State Property, a program enacted in 1969. This would result in a loss of an additional \$2.3 million for Cheshire in a program that should provide \$4.3 million if it was fully funded. This \$2.3 million revenue loss would be in addition to the Department of Correction's (DOC) unwillingness to renegotiate our prison agreement to assist the cost of or \$32.150 million Wastewater Treatment Plant upgrade, and the DOC's refusal to pay a user charge back-billing of \$1.5 million incurred because of malfunctioning State meters. Being a host community for a prison is not an asset or a benefit, and the elimination of this PILOT program symbolizes the destruction of the longstanding partnership that the State has

fostered, and an abandonment of support for funding one of the key mandated tax exemption programs that are imposed on municipalities.

Cheshire officials have worked very hard to be fiscally responsible. We are maintaining a strong fund balance, we have established significant reserve accounts, our debt service obligations are declining, and we have preserved two very high credit ratings. Yet, like other municipalities, even with cuts in services, programs and personnel, we have still been forced to consistently increase the taxes on our businesses and residents.

Because Cheshire has the dubious distinction of being a Prison Town, this H.B. No. 6679, as previously stated, would reduce our ECS grant by \$3.441 million. This coupled with a loss of \$2.4 million in municipal aid, a potential loss of \$6.271 million, if the car tax is eliminated, and the elimination of \$2.3 million in PILOT-State Property as it gets transferred to ECS, represents a combined potential revenue loss of \$14.412 million.

The Governor has trumpeted this proposed budget as a pro education budget yet if this bill, to count incarcerated prisoners at their residence prior to incarceration gets approved, the ECS revenue loss would do irreparable damage to our school system and create financial devastation for our community, especially when combined with all the previously mentioned reductions in our municipal aid.

Consequently, I urge you to defeat H.B. No. 6679. Thank you for allowing me to testify, and I wish you well in your deliberations during this legislative session.